

## Karamken Journal

# Siberian Gold Galore: But Would Lenin Approve?

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KARAMKEN, U.S.S.R. — "When we are victorious on a world scale, I think we shall use gold for the purpose of building public lavatories in the streets of some of the largest cities in the world," Lenin wrote in 1921.

"I don't know what this means," said Nikolai M. Selyutin, manager of the Karamken gold mine and concentrator here. "But we believe in it."

Perhaps, but Lenin's vision of a time when the quality of life would no longer be tied to the value of gold seems, in this gold-dominated Magadan Province of northeast Siberia, far off, and getting further.

Pressed by the need for foreign currency to support a planned modernization of industry and to make up for slumping oil revenue, the gold industry is expanding.

How much of an expansion, like almost every detail of the gold industry, is a carefully guarded secret, as a group of Western reporters found during a closely supervised visit to this gold-lode mining complex.

### Playing a Cat-and-Mouse Game

"Where do you send your refined gold," a reporter asked, before a descent into a mine shaft.

"To the central part of the country," replied Mr. Selyutin, a good-natured engineer who seemed faintly amused at the cat-and-mouse game.

"What city?"

"To the central part of the country," he repeated.

"How many workers do you have?"

"Enough to work profitably."

When asked for production figures, Mr. Selyutin simply laughed, flashing a row of gold caps.

The Soviet Union, the second largest gold producer after South Africa, publishes no statistics on gold, or on most other metals for that matter. Western researchers have been computing various estimates based on scattered information about producing centers and about sales on the international gold market.

### Shock Absorber for the Economy

The gold reserves are a vital shock absorber for the Soviet economy, especially now when lower oil prices have cut into export earnings.

According to recent joint report of the Central Intelligence Agency and the Defense Intelligence Agency to the Joint Economic Committee of Congress, the Soviet Union sold \$3.6 billion worth of gold last year, up from \$1.8 billion the previous year and from \$1 billion the year before.

Without gold, Magadan Province might well still be the exclusive preserve of Chukchi reindeer herders and other indigenous peoples.



It was the goldfields of the Kolyma River, discovered in the late 1920's, that drew geologists to this area. It was gold that made the region a logical, if cruel, site for Stalin's notorious labor camps from the 1930's to the mid-1950's. From the camps, ordinary convicts and political prisoners were marched to work in the gold pits at temperatures of more than 50 degrees below zero.

Gold is believed to be one reason Magadan Province has been closed to most foreigners. The recent visit here was the first ever by a group of non-Communist journalists.

Aleksandr D. Bogdanov, provincial party chief, estimated that mining accounted for two-thirds of the province's 2 billion rubles (\$3 billion) in annual industrial output. The province also yields silver, tin and tungsten, but mostly gold.

"Almost the entire economy of the province is based on gold," said Tatyana M. Malinovskaya, a party official in the northern gold town of Bilbino.

Her, at the nine-year-old Karamken complex, about 50 miles north of the city of Magadan, visitors pass through a guarded turnstile and into a

dressing room where they don a miner's cold weather uniform of blue long johns, heavy cotton work clothes, parkas and hard hats. Then down several flights of stairs to collect battery-powered lamps, and out the door to a metal shed that serves as the depot for the mine train.

### Placer and Lode Deposits

In Siberia, gold is either bulldozed or dredged from surface gravel deposits known as placers or, as in the case of Karamken, dug from deep lode mines. The placers were the first to be mined starting in the 1930's, and as they became played out, the industry has been increasingly blasting into bedrock.

A 12-minute ride on an East German mine trolley, clattering down a narrow, concrete-lined shaft takes the miners two miles into the mountain. The air, pumped in through conduits, is cool and fresh, but not uncomfortably cold.

The mountain is criss-crossed by horizontal tunnels on six levels. On the upper levels, miners use compressed air guns to dig holes for dynamite, then blast and dig the ore, and spill it down chutes into waiting ore cars in the lowest tunnel.

The ore itself is unremarkable to the eye, the gold so thinly dispersed that it hardly glitters. There are no nuggets to be pocketed.

### Work Goes On Around the Clock

Miners work around the clock, in four six-hour shifts — first a blasting crew, then several hours of preparing the shaft, and finally two digging shifts.

At the concentrator near the mouth of the mine, lumps of ore are fed into a crushing mill and ground to powder. The powder is mixed with water, and the gold and silver are separated chemically.

Miners earn 700 rubles (about \$1,000) a month, a high salary by Soviet standards because of a premium paid in this remote region.

Lenin's dictum notwithstanding, the lives of workers here are becoming more dependent on gold, not less. Next year the mine here is scheduled to join other Soviet industries in "self-financing," which means that the mine administration will keep a share of the profits to spend as local managers see fit on housing, new equipment and amenities for workers, things that now come from the budget of the Ministry of Nonferrous Metals in Moscow.

But then, Lenin himself conceded that, pending the world revolution that would render gold into toilets, Russia should get as much of the stuff as it could. In a metaphor that seems especially suited to the tundra of northeast Siberia, he said, "When you live among wolves, you must howl like a wolf."